## **REMARKS**

Favorable reconsideration of the application is respectfully requested in light of the amendments and remarks herein.

Upon entry of this amendment, claims 1-21 will be pending.

## §103 Rejection of Claims 1-21

In Section 2 of the Office Action of October 10, 2007 ("the Office Action"), claims 1-21 stand rejected under 35 U.S.C. §103(a) as being unpatentable over Barton (WO/01/65862; hereinafter referred to as "Barton") in view of Diehl (WO/2001/075896; hereinafter referred to as "Diehl").

In the Background Section of the Specification, it is stated that "[a]udio and video media content, such as music and movies, is becoming increasingly available in various digital forms, such as in electronic files stored on optical storage (e.g., CDs and DVDs) or magnetic storage (e.g., hard disks). The digital content provides both high quality of reproduction and convenient access for users. Another benefit of digital content is that it is typically easy to create a high quality copy of the content. Users enjoy accessing the digital content through various devices in multiple locations. However, content owners are often concerned with uncontrolled and unauthorized copying and resulting potential problems, such as piracy." *Background of the Specification, Paragraph [0002]*.

Addressing the above-stated problem, independent claim 1 recites a network media environment comprising:

a first hub network including a first server and a first client, and said first server is connected to said first client;

a second hub network including a second server and said first client, and said second server is connected to said first client, such that said first hub network and said second hub network overlap;

wherein said first client *stores* first content bound to said first hub network and *stores* second content bound to said second hub network.

(emphasis added)

Therefore, claim 1 recites a network media environment wherein the **first client** stores <u>first content bound to the first hub network</u> and stores <u>second content bound to the second hub network</u>. This configuration of the media environment addresses the potential problems stated in the background by allowing relatively orderly access to contents.

The above limitation is discussed in the specification in relation to the difference between the discrete and bound instances. For example, "[a]s discussed below, an instance that is compliant with hub network operation is in one of two exclusive states: discrete or bound. A discrete instance is independent of any hub network and can be played or presented through any compliant device (according to the license of the discrete instance). However, a compliant device cannot make a usable copy of a discrete instance. A discrete instance includes locked content data and a discrete license. The locked content data of the discrete instance is referred to as the "discrete version" of the locked content data. The locked content data is locked by being protected from unauthorized access, such as by encryption. A bound instance is bound to one hub network. The bound instance is one logical instance represented by locked content data and corresponding

licenses stored on the server of the hub network and on zero or more of the clients of the hub network. The locked content data stored by the server is the source for copies of the content data in the hub network and is the "source version." Copies of the source version content data are stored on clients and are "sub-copy versions" (though some or all of the data in the discrete version, the source version, and/or any of the sub-copy versions can be the same). A bound instance can only be played or presented through a compatible compliant device that is a member of that hub network. Members of that hub network can make sub-copies of the content data of a bound instance." *Specification, paragraph* [0030].

Therefore, claim 1 is directed to address the above-discussed problems of the content owners being concerned with uncontrolled and unauthorized copying but allowing presentation of the content within an authorized network of devices (e.g., on a hub network). By binding the license to the hub network, the licensee can enjoy the content on any number of authorized devices connected to a network rather than having to download additional license later or initially delay downloading the license so that the license can be downloaded to a different machine later.

Further, claim 1 also recites a network media environment including two overlapping hub networks. For example, "[w]hen a media network environment includes two or more hub networks, some or all of the hub networks may overlap. Two hub networks overlap when both of the hub networks include the same device or devices. A device belonging to two hub networks spans the hub networks and is a spanning device.

A spanning device stores (or can store) content data for instances bound to each of the

hub networks. Accordingly, the spanning device can present content bound to multiple respective hub networks (a bound instance is bound to only one hub network). ... The overlapping hub networks provide a flexible environment for managing the use and copying of content. Each server manages the devices and content in the server's hub network and each client operates in compliance with the rules of the hub network. As a result, a user can present, move, and copy content data through the media network environment in a convenient manner and at the same time the presentation, copying, and moving of the content data is controlled to reflect the licensing guidelines set for a licensing authority (e.g., by the content owner). In addition, the management of each hub network is grounded in the server of the hub network." Specification, paragraphs [0062-0063], emphasis added.

By contrast, Diehl merely recites a home network environment where devices connected to the network monitor content and block delivery of the content when a decision module indicates a read prohibition and allows unlimited copy permission when the content is not encrypted or watermarked. "According to another particular characteristic of the invention, the device does not supply any digital data to the first or to the second output when the decision module delivers a read prohibition. ... According to another particular characteristic of the invention, the decision module delivers an unlimited copy permission when the digital data received are not encrypted. ... According to a preferred characteristic of the invention, the decision module delivers an unlimited copy permission when moreover the digital data received are not watermarked." *Diehl, page 3, lines 28-37.* Accordingly, Applicants respectfully disagree

with the Examiner assertion that "Diehl teaches binding content to hub networks.

It is stated in the Office Action that "Barton discloses all the limitations as disclosed above except for binding content to a network." Without admitting that Barton discloses all the limitations as disclosed above, it is submitted that Barton and Diehl, individually or in combination, fail to teach, suggest, or disclose all limitation of claim 1.

Based on the foregoing discussion, claim 1 should be allowable over Barton and Diehl. Independent claims 15, 16, and 18 include above-discussed relevant limitations for claim 1 in substantially similar forms. Therefore, claims 15, 16, and 18 should also be allowable over Barton and Diehl. Since claims 2-14, 17, and 19-21 depend from one of independent claims 1, 16, and 18, claims 2-14, 17, and 19-21 should also be allowable over Barton and Diehl.

Accordingly, it is submitted that the rejection of claims 1-21 based upon 35 U.S.C. §103(a) has been overcome by the present remarks and withdrawal thereof is respectfully requested.

## **Conclusion**

In view of the foregoing, applicants respectfully request reconsideration of claims 1-21 in view of the remarks and submit that all pending claims are presently in condition for allowance.

In the event that additional cooperation in this case may be helpful to complete its prosecution, the Examiner is cordially invited to contact Applicant's representative at the telephone number written below.

Respectfully submitted, Procopio, Cory, Hargreaves & Savitch

Dated: \_\_\_\_/-10-08

By:

Samuel S. Lee Reg. No. 42,791

Procopio, Cory, Hargreaves & Savitch LLP 530 B Street, Suite 2100 San Diego, California 92101-4469 (619) 238-1900